



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 9, 2019

Larry Johnson, Resident Agent  
Coal Energy Group 2, LLC  
6602 Ilex Circle  
Naples, Florida 34109

Subject: Chapter 1 Revisions, Coal Energy Group 2, LLC, Wildcat Loadout, C/007/0033,  
Task #5843

Dear Mr. Johnson:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application by no later than February 22, 2019.

If you have any questions, please call me at (801) 538-5350.

Sincerely,

Steve Christensen  
Permit Supervisor

SKC/sqs

cc: Kirk Nicholes, Alton Coal

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## Technical Analysis and Findings

### Utah Coal Regulatory Program

**PID:** C0070033  
**TaskID:** 5843  
**Mine Name:** WILDCAT LOADOUT  
**Title:** CHAPTER 1 REVISIONS

## Summary

The Division received an Application for Permit Transfer to transfer the Wildcat Loadout permit C/007/0033 from Intermountain Power Agency to Coal Energy Group 2, LLC on September 13, 2018. The permit transfer was approved on November 9, 2018 and a revised permit was issued. Coal Energy Group 2, LLC submitted application on January 4, 2019 to amend the Wildcat Loadout Mining and Reclamation Plan with the updated ownership information.

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## General Contents

### Identification of Interest

#### Analysis:

The application does not meet the State of Utah R645 requirements for Identification of Interest.

The application identifies the revised Chapter 1 information resulting in the sale of the Wildcat Loadout from Intermountain Power Agency to Coal Energy Group 2, LLC: Type of Business; Names, Locations, Resident Agent; Other than Single Proprietorships; Officers and Shareholders; Ownership and Control Relationship to Applicant.

R645-301-110 Legal, Financial Compliance and Information, Intermountain Power Agency remains and should be corrected to Coal Energy Group 2, LLC.

R645-301-112.400 Pending, Current and Previous Coal Permits, the applicant did not provide coal mining "either the applicant or by any person who owns or controls the applicant". Coal mining and reclamation operations are to be listed with the required information.

Appendix A Part 1 Ownership and Control and Appendix A Part 2 Current and Previous Permits are outdated and are require updating or should be removed from the MRP.

#### Deficiencies Details:

The application does not meet the State of Utah R645 requirements for Identification of Interest.

R645-301-110 Legal, Financial Compliance and Information, Intermountain Power Agency remains and should be corrected to Coal Energy Group 2, LLC.

R645-301-112.400 Pending, Current and Previous Coal Permits, the applicant did not provide coal mining "either the applicant or by any person who owns or controls the applicant". Coal mining and reclamation operations are to be listed with the required information.

Appendix A Part 1 Ownership and Control and Appendix A Part 2 Current and Previous Permits are outdated and are require updating or should be removed from the MRP.

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## Violation Information

### Analysis:

This application does not meet the State of Utah R645 requirements for Violation Information.

R645-301-113 Any State or Federal violations received in the last three years by the applicant or any subsidiary, affiliate, or persons controlled by or under common control with the applicant. All outstanding violations (regardless of date) must also be disclosed. Appendix B, Part B History of Violations is required to be updated and a reference added to it's location in Chapter 1.

### Deficiencies Details:

This application does not meet the State of Utah R645 requirements for Violation Information.

R645-301-113 Any State or Federal violations received in the last three years by the applicant or any subsidiary, affiliate, or persons controlled by or under common control with the applicant. All outstanding violations (regardless of date) must also be disclosed. Appendix B, Part B History of Violations is required to be updated and a reference added to it's location in Chapter 1.

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## Right of Entry

### Analysis:

The application does not meet the State of Utah R645 requirements for Right of Entry.

The application identifies a decision dated November 8, 2018, BLM approved the assignment of the right of way (U-48027) to Coal Energy Group 2, LLC. This decision requires to be included in Appendix B, Part A Permits.

The application also identifies Entry Rights held by Coal Energy Group 2, LLC pursuant to the terms and conditions of the following instruments:

1. September 10, 2018 Rights of Way,Leaes, Real Property Agreements-Assignments Assignment and Assumption Agreement between Intermountain Power Agency and Coal Energy Group 2, LLC is attached hereto as Appendix B, Part A A-22.
2. September 10, 2018 Quitclaim Deed between Intermountain Power Agency, as Grantor and Coal Energy Group 2, LLC Grantee is attached hereto as Appendix B, Part A A-23
3. September 10, 2018 Quitclaim Deed - Access Road between Intermountain Power Agency, as Grantor and Coal Energy Group 2, LLC Grantee is attached here to as Appendix B, Part A, A-24.

Appendix B, Part A has not been included in the application and requires updating and inclusion of the assigned Permits.

### Deficiencies Details:

The application does not meet the State of Utah R645 requirements for Right of Entry.

The application identifies a decision dated November 8, 2018, BLM approved the assignment of the right of way (U-48027) to Coal Energy Group 2, LLC. This decision requires to be included in Appendix B, Part A Permits.

The application also identifies Entry Rights held by Coal Energy Group 2, LLC pursuant to the terms and conditions of the following instruments:

1. September 10, 2018 Rights of Way,Leaes, Real Property Agreements-Assignments Assignment and Assumption Agreement between Intermountain Power Agency and Coal Energy Group 2, LLC is attached hereto as Appendix B, Part A A-22.

2. September 10, 2018 Quitclaim Deed between Intermountain Power Agency, as Grantor and Coal Energy Group 2, LLC Grantee is attached hereto as Appendix B, Part A A-23

3. September 10, 2018 Quitclaim Deed - Access Road between Intermountain Power Agency, as Grantor and Coal Energy Group 2, LLC Grantee is attached here to as Appendix B, Part A, A-24.

Appendix B, Part A has not been included in the application and requires updating and inclusion of the assigned Permits.

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## Permit Application Format and Contents

### *Analysis:*

The application does not meet the requirements of R645 Permit Application Format and Contents.

The application does not include a revised Chapter 1 Table of Contents.

### *Deficiencies Details:*

The application does not meet the requirements of R645 Permit Application Format and Contents.

The application does not include a revised Chapter 1 Table of Contents.

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## Reporting of Technical Data

### *Analysis:*

The application does not meet the R645 Reporting of Technical Data.

Appendix B, Part C Insurance requires updating to the current certificate of insurance listing the insured as Coal Energy Group 2, LLC.

### *Deficiencies Details:*

The application does not meet the R645 Reporting of Technical Data.

Appendix B, Part C Insurance requires updating to the current certificate of insurance listing the insured as Coal Energy Group 2, LLC.

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